

ALANTRA

SUSTAINABILITY REPORT 2024

ALANTRA PRIVATE DEBT

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1. Foreword

In 2024 Alantra Private Debt has entered a new chapter in its sustainability journey. Evolving market dynamics, shifting geopolitical realities, and increasing regulatory expectations have redefined what responsible investment looks like. Against this backdrop, we have embraced sustainability not merely as a regulatory requirement or ethical stance, but as a strategic lever to unlock long-term value and mitigate risk in our investments.

This year marked several important milestones for our team. We expanded our Article 8 fund, Alteralia III, with two new investments, reinforcing our ambition to build a portfolio that integrates measurable environmental and social objectives. Additionally, we financed a new green bond under our Real Estate Debt strategy, an achievement that signals our commitment to aligning financial instruments with sustainability outcomes in the real estate sector. Today, 76% of our portfolio include sustainable-linked financing structures, amounting to €397 million.

We also strengthened our internal capabilities. The appointment of a Sustainable Investment Principal at Alantra Asset Management will ensure continued leadership in responsible investment practices across all our funds. Internally, we have invested in sustainability-focused training, tools, and processes, helping our investment teams embed sustainability into every stage of the investment cycle.

Looking ahead, we remain committed to driving continuous improvement. We will continue engaging with our portfolio companies to define and monitor key sustainability indicators, promote sustainability leadership, and share best practices. I would like to thank our team for their dedication and resilience, and our partners for their trust. Together, we are shaping a more resilient and competitive private debt market.



Luis Felipe Castellanos Alantra
Private Debt Managing Partner & CEO










2: Executive summary

In 2024, Alantra Private Debt made meaningful progress in its sustainability journey, advancing the integration of environmental, social, and governance principles across both operations and investment strategies. These developments were driven by an evolving regulatory landscape, growing investor expectations, and our firm commitment to responsible investment.

As we look ahead, we remain committed to deepening sustainability integration, driving continuous improvement, and contributing to a more resilient and sustainable future.

2. 1. KEY MILESTONES IN SUSTAINABILITY INTEGRATION

In 2024, Alantra Private Debt achieved several key milestones in its sustainability journey:

	Issuing of three new financings (two through Alteralia III fund and one through Alteralia RED), all of them classified as sustainability-linked loans.
	Alantra Asset Management appointment of Sustainable Investment Principal .
	Received a 4-star rating in the 2024 UN PRI Assessment Report. 
	15 out of 20 live investments in 2024 are classified as sustainable (11) or green (4) loans. These incorporate financing structures with interest rate adjustments linked to the achievement of predefined environmental and/or social targets.
	13 live investments in 2024 feature interest rate adjustments based on specific environmental targets . These structures support goals such as reducing greenhouse gas emissions, minimizing packaging waste, improving resource efficiency, obtainment of green building certifications and preserving tropical forests.
	8 live investments in 2024 include interest rate adjustments tied to social targets . These support goals such as gender equality, inclusion of vulnerable groups, workplace safety, and compliance with sustainability and corporate responsibility standards across supply chains.

2. 2. PORTFOLIO MILESTONES¹



Environmental

32%
renewable energy consumption
(weighted average)

8 out of 10
portfolio companies **monitor**
their carbon footprint

Portfolio companies demonstrate consistent environmental progress, particularly in energy use, emissions, and circular practices. Several have transitioned to zero- or low-emission vehicle fleets, implemented energy monitoring systems, and set targets for reducing carbon intensity. Others are reducing environmental impact by switching to locally sourced inputs.



Social

16 hours
of training per employee (weighted average)

20%
women in management positions
(weighted average)

Portfolio-wide, the initiatives focus on promoting diversity, inclusion, education, and local community development. Companies implement equality plans, inclusive hiring practices, and support for underrepresented groups, including individuals with disabilities. They generate stable employment with fair working conditions and often provide incentives to encourage workforce retention.



Governance

0
sanctions or violations related
to sustainability matters

5 out of 10
portfolio companies have a **dedicated**
sustainability responsible

Governance practices across the companies are shaped by a commitment to transparency, quality, and data protection. Data governance is treated with care, with GDPR compliance and secure IT infrastructure highlighted as key features. Some companies embed governance into their business model by supporting clients in legal and regulatory compliance, extending the governance impact beyond internal operations and into the broader market ecosystem.

¹ The figures relate to investments active at 31 May 2025 from the Corporate Direct Lending funds. Excluding three companies for which data was not available.



3. About this report

Alantra Private Debt leads the way in accountability and transparency with their stakeholders

The present document marks Alantra Private Debt second annual Sustainability Report and covers the 2024 fiscal year (January-December). The report includes information on the Management Company own operations and the following investment strategies:

- Corporate Lending: Alteralia I, Alteralia II and Alteralia III
- Real Estate Debt: Alteralia RED

The 2024 portfolio sustainability performance metrics included in the report cover information from all investments active at 31 May 2025, excluding information on those portfolio companies that refinanced prior to June 2025.

Considering that most of the portfolio companies performance metrics have been included in the sustainability report for the first time in 2024, comparable year-to-year evolution will be provided in the next exercise.

In this regard, the objective of the report is twofold:



- To share with our stakeholders, mainly investors, how sustainability drivers are embedded in Alantra Private Debt investment and portfolio management processes.



- To promote broader transparency in the private debt space by encouraging peers to adopt similar voluntary reporting frameworks, helping elevate industry standards in the field of green and sustainable financing.

To do so, the report has been elaborated based on the most relevant international frameworks on sustainability reporting and standards on sustainable and green finance:



Given the nature of private debt funds, Alantra Private Debt does not exercise operational control over the companies it finances and, as a result, has limited access to some of the information included in the present report. Throughout the document, the reporting scope of all the indicators has been clearly defined.

Last of all, we would like to thank the management teams of the different portfolio companies. This report is the result of a close collaboration between the Alantra Private Debt team and them, and could not have been possible with their dedication, transparency and engagement.



“In today’s complex macroeconomic and geopolitical landscape, gaining a holistic understanding of all factors impacting our operations is essential to make sound financing decisions and maximize investment returns. In particular, in private debt and real estate markets, sustainability has become a critical driver of capital allocation, influencing both risk perception and asset value.”

– **Diego Morata**, Alantra Sustainable Investment Principal



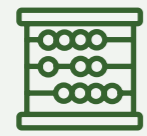
4. About us



Over 50
investments to date



+10
professionals



c.€600mn
invested since inception



+10
years of existence / track record



€5mn-€30mn
Ticket size



20
live investments in 2024

*At 31 December 2024. The report does not include information on Alantra Credit Opportunities

4. 1. ALANTRA PRIVATE DEBT AT A GLANCE

Alantra’s Private Debt division manages a range of strategies across Europe, including senior debt, unitranche, mezzanine, and credit opportunities for family- or private equity-owned businesses across all sectors. Through its corporate direct lending strategy – Alteralia I, Alteralia II and Alteralia III funds— the division provides long-term, flexible financing to support investments, acquisitions, debt refinancing, and shareholder restructurings for European small to mid-sized companies, while minimizing debt service during the initial years. Alantra’s Real Estate Debt strategy offers tailored long-term financing across all commercial asset classes in Continental Europe. Across all strategies, the team delivers flexibility, transparency, swift execution, and local investment decision-making.

We provide differential value to our investors through a holistic and results-driven approach



• **Impressive experience & track-record**

>10 years of track record in corporate direct lending, real estate debt and credit opportunities strategies.

Since 2015, Alantra Private Debt has invested in 56 companies through four different investment vehicles.



• **A vigorous and reliable back-up**

The Management Company is part of the Alantra Group, a global investment banking and asset management firm that counts with a solid international network and portfolio, and which upholds strong corporate listed governance policies.



• **Responsible investment as the only option**

Sustainability considerations are not standalone criteria, they are strategic levers that enhance the quality of our investment decisions. At Alantra Private Debt, we integrate environmental, social, and governance factors to identify emerging market opportunities and proactively mitigate risks such as reputational damage, regulatory exposure, and market vulnerability. By aligning long-term financial performance with responsible business practices, we support portfolio companies in strengthening their competitive position while generating broader societal value.

As of 2024, **15 out of 20 investments are green or sustainability-linked loans**. Additionally, 11 of these transactions include financing structures with sustainability-linked interest rate adjustments, directly tied to the achievement of predefined key sustainability indicators. These figures highlight our commitment to embedding sustainability into the core of our financing approach, where impact and performance go hand in hand.

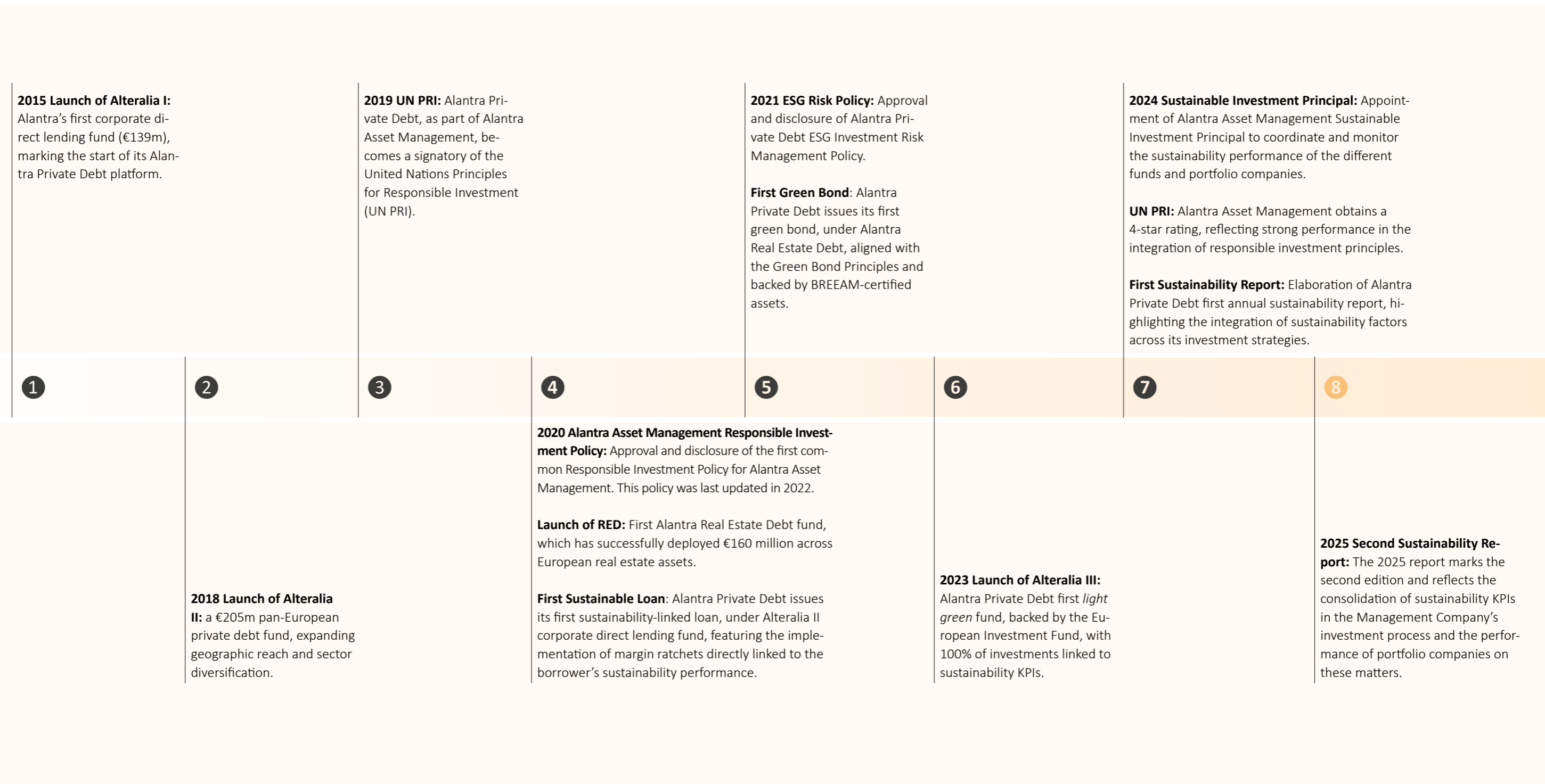


• **A multidisciplinary and experienced team**

Alantra Private Debt is supported by a skilled and experienced team supported by other units:

- Investment Committee
- Investment Team
- Business Development Team
- Alantra Asset Management Sustainable Investment team

4. 2. SUSTAINABILITY MILESTONES





5. Our Sustainable Investment approach

At Alantra Private Debt, sustainability factors are fully embedded across all stages of the investment cycle: screening, due diligence, investment decision-making, portfolio monitoring, and exit. This structured approach ensures that environmental, social, and governance considerations directly inform investment outcomes and long-term value creation.

This end-to-end methodology is grounded in the principles established in the Alantra Asset Management Responsible Investment Policy, which has been publicly available since 2021 and serves as a guiding framework for responsible investment practices across the Group. Furthermore, Alantra Private Debt has translated these principles into a dedicated internal ESG Risk Policy tailored to private debt strategies. This internal policy outlines specific governance structures, investment exclusions, sustainability integration processes, and reporting protocols, reinforcing the team's commitment to long-term, responsible value creation.

Refinancing & Exit: The continuous monitoring and assessment of material sustainability KPIs and the improved management of the portfolio companies during the holding period ultimately leads to an increased capacity of the portfolio companies to meet their financing obligations, reducing the funds' refinancing risk.

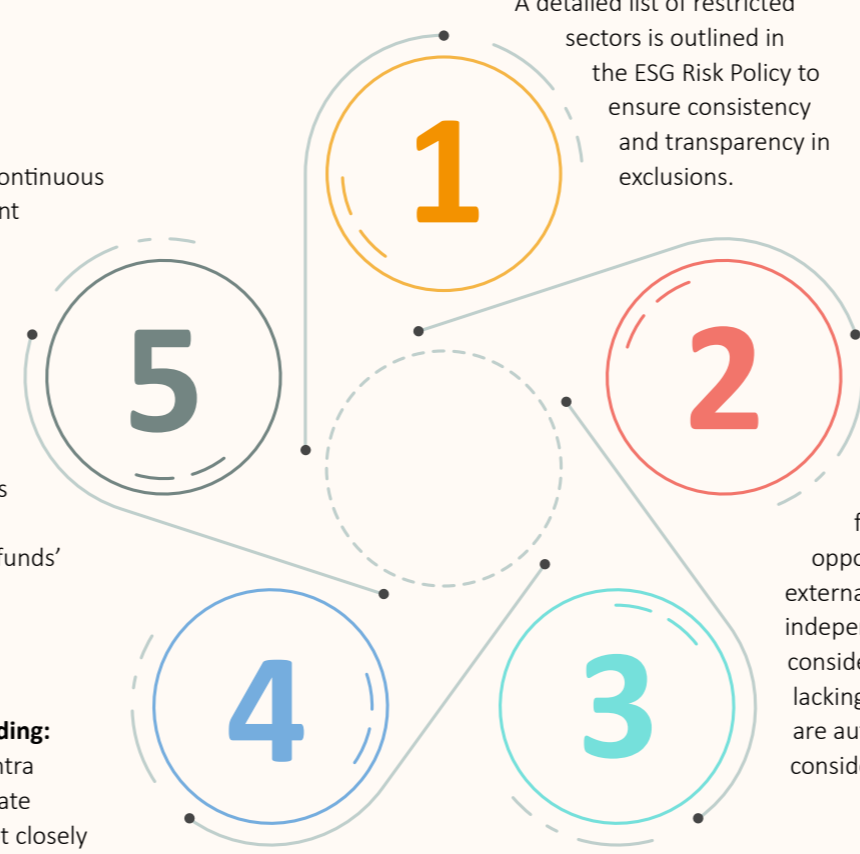
Holding: Alantra Private Debt closely monitors sustainability performance through periodic KPI reporting, gathered via an annual data collection survey. Ongoing engagement with portfolio company management allows the Investment Team to influence responsible practices, evaluate target progress, and enforce margin adjustments when applicable, in accordance with the terms defined in the loan documentation.

Negative Screening: Alantra Private Debt excludes investments that fail to meet strict responsible investment criteria, in alignment with the European Investment Fund (EIF) framework.

A detailed list of restricted sectors is outlined in the ESG Risk Policy to ensure consistency and transparency in exclusions.

Due Diligence: All potential investments undergo an internal sustainability questionnaire, and a tailored assessment based on the Sustainability Accounting Standards Board (SASB), identifying the most financially material non-financial risks and opportunities. This may be complemented by an external sustainability due diligence conducted by an independent expert. Notably, strong governance is considered a non-negotiable requirement, companies lacking appropriate governance frameworks are automatically disqualified from investment consideration

Investment Decision: Sustainability findings are formally incorporated into the Investment Memorandum, including:
 1. A summary of impacts, risks, and opportunities (IROs); 2. A proposed debt structure that reflects non-financial considerations (e.g., sustainability-linked loans or green loans); The Investment Memorandum is shared with Alantra Asset Management Sustainable Investment Principal who should approve that the investment does not fall under the fund's exclusion list and will coordinate the definition of the material KPIs linked to the loan with the counterparties.





6. Consolidated sustainability performance

6.1. CORPORATE DIRECT LENDING

Alteralia I, Alteralia II and Alteralia III funds. Focus on providing long-term, flexible financing solutions tailored to the needs of small and mid-sized companies across Europe. The capital is deployed to support business growth, whether through acquisitions, capital expenditures, refinancing, or shareholder reorganization, while minimizing debt service during the early years of investment.

→ Average Ticket Size:
€15 million

In 2024, Alantra Private Debt continued to scale its Corporate Direct Lending strategy.



Environmental

→ **9 out of 12** active investments classified as green or sustainable

→ **7 out of 12** active investments linked to environmental KPIs

- Environmental targets focused on:
- Greenhouse gas (GHG) emissions reduction (incl. product-related carbon footprint)
 - Shift wood sourcing from tropical forests to lower-impact regions
 - Increasing renewable energy consumption (i.e. solar panel installation)
 - Reducing energy consumption intensity

Portfolio performance²

→ **33% renewable energy consumption** (weighted average)

→ **0 t total emissions to water**

→ **69 t total hazardous waste generated**

→ **8 out of 9** portfolio companies **with no operations in biodiversity hotspots**



Best practices and initiatives

Climate Action & Carbon Footprint Reduction

Companies are actively working to reduce their carbon footprint through a mix of renewable energy adoption, implementation of energy efficiency measures, digital transformation, and zero-emission logistics. Indeed, four companies count with targets related to greenhouse gas emission reduction (including renewable energy consumption) linked to their sustainable financing scheme at year end.

It can be highlighted that on this line, three companies are also promoting the electrification of their vehicle fleet. At the end of 2024, one company runs a zero-emission delivery service in Madrid using an electric fleet and has aligned its logistics service with a clear decarbonization pathway subject to ambitious climate goals. Likewise, two additional companies are also upgrading its fleet to eco- and zero-emission vehicles.

In addition, all but two portfolio companies track their carbon footprint to make informed decisions on their energy use and analyze the implementation of new greenhouse gas emission reduction measures.

Resource Management and Sustainable Product Design

As part of their commitment to enhance environmental performance, portfolio companies are improving energy efficiency and optimizing resource use. Initiatives include reducing the consumption of natural resources, minimizing the discharge of any harmful substances, reusing waste, and eliminating fuel in operations. Currently, three companies count with ISO 14001 certified environmental management systems (EMS), reinforcing their commitment to responsible production and sustainable practices.

operations to reduce their environmental footprint, for example, by replacing tropical hardwoods with locally sourced alternatives or substituting plastic packaging by paper-based or biodegradable solutions. Another company has shifted its operating processes to eliminate fuel use during testing, maintenance or assembly, reducing its exposure to these sources, often subject to high pricing volatility. This company, has also reduced its oil and lubricant consumption by promoting more resource efficient systems and reusing production materials wherever possible.

Other companies in the portfolio directly contribute to the protection of the environment due to their activity and products. This is the case for one portfolio company that is involved in waste collection and green space maintenance. Others, have adapted their products and

On a similar note, one portfolio company manages its facilities with a focus on energy savings, responsible resource use, and pollution prevention.

Circular Economy & Sustainable Materials

Several companies are embracing circular economy principles by minimizing paper use, prioritizing recycled or locally sourced materials, and reducing industrial waste. Through digital services, recycled packaging, and reuse of production inputs, they aim to lower environmental impact, improve resource efficiency, and support more sustainable supply chains.

One company uses recycled paper packaging and sources from BIO-certified suppliers in Germany. Two additional portfolio companies apply circular principles by eliminating paper use and relying on digital tools, with one of them promoting 100% recycled packaging solutions which are locally sourced.

Last of all, another company is starting to implement circular economy principles by supporting material reuse through the reintegration of the waste generated during production.

² Three portfolio companies have not provided sustainability corporate data. As a result, they are not included in the reporting scope of the portfolio performance metrics.



Social

- **9 out of 12** active investments classified sustainable
- **8 out of 12** active investments linked to social KPIs
- Social targets focused on:
 - Increasing female representation
 - Creation of local employment in rural areas
 - Reduction of accidentality and absenteeism rates
 - Fostering employees' training
 - Offer scholarships to vulnerable children

Portfolio performance³

- **5.2** Lost-Time Injury Frequency Rate (LTIFR) (weighted average)⁴
- **0.8** Severity Rate (SR) (weighted average)⁵
- **16 h** of training per employee (weighted average)
- **20%** unadjusted gender pay gap (weighted average)⁶
- **20%** women in management positions (weighted average)
- **30%** women in the workforce (weighted average)

³ Three companies have not provided sustainability corporate data. As a result, they are not included in the reporting scope of the portfolio performance metrics.

⁴ Lost-Time Injury Frequency Rate (LTIFR) = (n° accidents with sick leave/worked hours) x 200,000

⁵ Severity Rate (SR) = (n° days lost due to occupational accidents/worked hours) x 1,000

⁶ Unadjusted gender pay gap: % difference between the average gross hourly earnings of men and women



Best practices and initiatives

Diversity & Equality

Many companies are actively working to improve workplace diversity and equal opportunities. Some have formal equality plans or certifications, while others show inclusion through gender balance, hiring practices, or support for underrepresented groups.

One company has been certified by Bureau Veritas (2019) for its equality employment plan, addressing equal access to jobs, work-life balance, training, and workplace safety. Another portfolio company fosters diversity, equality, and inclusion through an objective hiring policy and a supportive environment. The company also links financing terms to the number of educational offerings, reinforcing inclusive growth.

In regard to internal practices, one portfolio company has about two-thirds of its employees being women. Operating in a rural region, it is recognized as a socially responsible employer in a low-opportunity area. And, another portfolio company has created over 1,200 rural jobs and encourages workforce stability with incentive systems, supporting SDG 8 (Decent Work) and SDG 10 (Reduced Inequalities).

Health & Safety

Workplace safety is reinforced through structured health and safety systems, including designated personnel, certified training programs, and regular employee development activities. These efforts help ensure safe working conditions, particularly in operational areas, while also supporting employee well-being.

One company has taken important steps in employee safety through the appointment of dedicated safety personnel and an external Health & Safety Manager. Regular team building and training sessions support physical and mental well-being.

Another company ensures that employees working in operational zones (like hangars and runways) receive mandatory AENA-certified safety training.

Community Engagement & Social Impact

Efforts across the portfolio reflect a strong commitment to education, inclusion, and community development. Companies support access to quality learning through digital tools and vocational training, while also contributing to broader societal well-being through local partnerships and philanthropic initiatives.

Initiatives include supporting children with heart disease, funding lymphoma trials, building a school in Benin, and opening an ophthalmology unit in Kenya.

On this line, one portfolio company drives access to education through its "Education for All" initiative, which promotes lifelong learning and vocational training. Its digital tools increase employability and contribute to general welfare.

One of the portfolio investments maintains over 35 partnerships with local, national, and international stakeholders to promote community development. The company plays a key role in rural economic development.

Another company counts with its own Foundation to support social causes such as healthcare and education.

Another company provides digital, inclusive educational tools used by over 500,000 children. The platform adapts to individual learning paces and backgrounds, supporting equal access to quality education globally.



Governance

- **9 out of 12** active investments classified as sustainable
- **3 out of 12** active investments linked to governance KPIs
- Governance targets focused on:
 - Adoption of codes of conduct and ethics
 - Use of independent advisors
 - Establishment of dedicated sustainability functions

Portfolio performance⁷

- **0 data breaches**
- **21% women in the Board of Directors** (weighted average)
- **0 sanctions or violations** related to sustainability matters.
- **7 out of 9** companies have implemented a **Code of Conduct**
- **6 out of 9** companies have implemented **whistleblowing procedures**



Best practices and initiatives

Data Privacy & Information Security

Effective governance includes responsible data management and cybersecurity. Several companies emphasize GDPR compliance and secure information handling as part of their operational integrity.

Another company securely stores student and employee data using the SIEPA school system and a NAS server. Access is restricted by role, ensuring basic internal data protection governance.

As an example, one portfolio company ensures compliance with GDPR and prioritizes customer privacy by securely managing sensitive personal data, embedding privacy and governance as core concerns.

Quality Assurance & Risk Management

Across the portfolio, strong governance practices include robust quality assurance systems, supplier oversight, and continuous product testing.

Likewise, another investment maintains strong governance in operations through third-party QA support during prototyping, and continuous product testing and improvement through CRM and user feedback tools.

THIS is the case for one portfolio company that applies rigorous quality control processes across suppliers and operations. Every batch of ingredients undergoes lab testing to ensure product integrity.

⁷ Three companies have not provided sustainability corporate data. As a result, they are not included in the reporting scope of the portfolio performance metrics.

Alteralia I

Alantra's corporate direct lending strategy started in 2015 with the launching of Alteralia I, a €139m private debt fund which has been fully invested in 15 portfolio companies.



Sustainability Material Topics

- Environmental
 - Energy Efficiency
 - Pollution & Waste Management
 - Environmental Compliance & Certification
- Social
 - Community Engagement
 - Health & Well-being
 - Education & Social Inclusion



Environmental

The portfolio company demonstrates strong environmental responsibility by promoting energy efficiency and resource conservation across its facilities. It actively implements pollution prevention measures and manages

waste generation to minimize its environmental footprint. These efforts are supported by its ISO 14001 certification, reflecting a commitment to continuous environmental compliance and performance.



Social

The company plays a significant social role through its Foundation, supporting healthcare, education, and infrastructure projects that benefit both local and international communities. Its initiatives promote health and

well-being through specialized programs, improve access to education for underserved populations, and provide humanitarian aid in vulnerable regions, reflecting a deep commitment to social impact and inclusion.

Alteralia II⁸

Alteralia II was launched in 2018, a €205m pan-European private debt fund. The objective of the direct lending funds is to provide long-term flexible financing to European small to mid-sized companies. The Fund invested in 15 companies.

→ **4 out of 6** active investments are classified as **sustainable or green loans**



Characteristics promoted (Sustainability KPIs linked)

- Greenhouse gas emissions reduction
- Energy intensity reduction
- Shift wood sourcing from tropical forests to lower-impact regions
- Increase the share of renewable energy consumption
- Elaboration of a physical climate risk assessment

⁸ One company has not provided sustainability corporate data. As a result, it is not included in the reporting scope of the environmental, social and governance portfolio performance metrics.



Sustainability Material Topics

- Environmental
 - Carbon & Energy Management
 - Pollution & Waste Management
 - Sustainable Products & Circular Design
- Social
 - Community Engagement
 - Education, Training & Workforce Development
 - Diversity, Equality & Inclusion
- Governance
 - Corporate Governance
 - Data Privacy & Compliance
 - Quality & Risk Management



Environmental

The overall environmental impact of the portfolio remains limited, largely due to the nature of the portfolio companies and the sectors in which they operate, such as education. The vast majority of GHG emissions stem from a single company, a logistics provider that nonetheless shows consistent progress in environmental performance, particularly in GHG emissions reduction. The company elaborated a clearly defined decarbonization pathway and is now transitioning to a fleet of low- and zero-emission vehicles.

Other companies in the portfolio are also working to reduce their environmental footprint, for example, by replacing tropical hardwoods with locally sourced alternatives or substituting plastic packaging by paper-based or biodegradable solutions.

By the end of 2024, two portfolio companies count with a ISO 14001 certified environmental management system (EMS).

- **206 kt CO₂e** greenhouse gas emissions (scope 1 and 2)
- **138 tCO₂e/million** of revenue **GHG emissions intensity (scope 1 and 2)** (weighted average)
- **34% renewable energy consumption** (weighted average)
- **10 t hazardous waste generated**
- **0 t emissions to water**



Social

Across the portfolio, social initiatives are centered on diversity, inclusion, education, and local community development, with at least five companies implementing measurable actions.

One portfolio company collaborates with a special employment center under Spain’s LISMI law, supporting the labor inclusion of people with disabilities. Another company developed an Equality Employment Plan, certified by Bureau Veritas in 2019, that promotes equality in all its activity, with a special focus in equal access to jobs, work-life balance, training, and workplace safety. While an additional portfolio company reinforces inclusive culture through the definition of transparent and tangible hiring practices.

In terms of social community impact, one of the investments, located in a rural area of Northern Germany, is recognized for providing stable, fair employment with a workforce composed of approximately two-thirds women. Likewise, another portfolio company contributes to poverty reduction and inclusive growth by investing in local production and fair employment practices, empowering underserved communities.

- **20% unadjusted gender pay gap** (weighted average)
- **27% women in the workforce** (weighted average)
- **18% women in management positions** (weighted average)
- **15 h of training per employee** (weighted average)
- **5.7 Lost-Time Injury Frequency Rate (LTIFR)** (weighted average)
- **0.9 Severity Rate (SR)** (weighted average)



Governance

Portfolio companies are strengthening operational integrity through robust compliance frameworks, advanced data protection protocols, and independent quality assessments.

In this regard, one portfolio company ensures full EU GDPR compliance, safeguarding large volumes of personal data from clients and employees. Another portfolio company has updated its internal prevention model to reflect organizational changes, and implemented automated compliance monitoring tools.

On a similar note, one of the investments ensures high product safety through regular quality checks across operations and suppliers, working with BIO-certified German partners and conducting lab testing on every ingredient batch.

- **4 out of 5** companies have implemented a formal **Code of Conduct**
- **0 sustainability-related incidents**
- **0 data breaches**
- **22% women in the Board of Directors** (weighted average)
- **3 out of 5** portfolio companies count with a **dedicated sustainability responsible/team**

Alteralia III⁹

Alteralia III was launched in 2023. As Alantra PD’s first Article 8 fund under SFDR, it promotes environmental and social characteristics. In this regard, the Fund has committed to direct at least 51% of the investments into companies which promote social and environmental factors. In 2024, 100% of the investments contribute to this objective as all the financed companies have sustainability KPIs associated to their loan’s margin ratchet.

→ **5 out of 5** active investments are classified as **sustainable or green loans**



Characteristics promoted (Sustainability KPIs linked)

- Definition of sustainability governance structure
- Sustainability-linked remuneration
- Publication of annual sustainability report
- Increase presence of women in the workforce
- Increase the number of scholarships provided to children from vulnerable groups
- Reduction of environmental impact derived from shipments
- Monitoring of carbon footprint
- Improve employee training

⁹ - The European Investment Fund has invested in Alteralia III through the InvestEU Fund. One company has not provided sustainability corporate data. As a result, it is not included in the reporting scope of the environmental, social and governance portfolio performance metrics.



Sustainability Material Topics

- Environmental
 - Energy Efficiency & Emissions Control
 - Pollution & Waste Management
 - Environmental Oversight & Compliance
- Social
 - Health & Well-being
 - Education, Training & Workforce Development
 - Diversity, Equality & Inclusion
- Governance
 - Product Innovation and R&D
 - Data Privacy & Compliance
 - Quality & Customer Satisfaction
 - Regulatory Compliance & Innovation Governance



Environmental

The majority of environmental impacts across our portfolio are concentrated in a manufacturing company. This is expected, given that most other portfolio companies operate in less resource-intensive sectors such as data processing and education. However, the company is taking relevant initiatives to reduce its environmental footprint, such as the allocation of a relevant percentage of capital to R&D aimed at developing sustainable production technologies (including full-electric systems and energy recovery devices), promoting the use of water-based paints and adopting electric and hybrid vehicles in its fleet. In the area of biodiversity, this company, being located in a sensitive area, participates in the RESILARIO project, which focuses on preserving Lake Como's natural ecosystem. Additionally, the company is engaged in waste reduction through the use of plastic crushing devices and strict compliance with disposal regulations.

- **16 kt CO₂e greenhouse gas emissions (scope 1 and 2)**
- **34 tCO₂e/million** of revenue **GHG emissions intensity (scope 1 and 2)** (weighted average)
- **32% renewable energy consumption** (weighted average)
- **59 t hazardous waste generated**
- **0 t emissions to water**



Social

Social initiatives focus on inclusive development and employee well-being, with companies investing in training, safety programs, and stable employment contracts, often exceeding compliance. One of our portfolio companies stands out by offering digital educational tools to over 500,000 children and promoting inclusion through the Cordada project, which integrates people with mental disabilities into the workforce via partnerships with non-profits. In the field of internal workforce management, one company has made significant efforts in 2024 focused on the improvement of health and safety management, with the definition of dedicated health and safety roles, including the designation of an external Safety Manager. Likewise, another portfolio company puts safety at the core of its activity, conducting safety audits and developing mandatory training for all employees accessing hangars and runways. For the latter, Alantra Private Debt will continue to monitor health and safety KPIs closely, as the LTFIR of the company has been significantly above the Fund average.

- **20% unadjusted gender pay gap** (weighted average)
- **47% women in the workforce** (weighted average)
- **47% women in the workforce** (weighted average)
- **18 h of training per employee** (weighted average)
- **2.4 Lost-Time Injury Frequency Rate (LTIFR)** (weighted average)
- **0.1 Severity Rate (SR)** (weighted average)



Governance

Governance practices across the portfolio reflect a strong commitment to transparency, quality, and data protection. Many companies use third-party quality controls and invest in tools to manage customer feedback. For example one portfolio company counts with a CRM system and live malfunction app.

Data governance is prioritized, with GDPR compliance and secure IT. As a result, one portfolio company, for example, stores data on secure platforms with role-based permissions. Other companies, through their activity, directly embed governance in their core business. This is the case for one company, whose services actively support clients in regulatory compliance, data protection, and the development of equality plans.

- **3 out of 4** portfolio companies have implemented a **Code of Conduct**
- **0 sustainability-related incidents**
- **0 data breaches**
- **12% women in the Board of Directors** (weighted average)
- **1 out of 4** portfolio companies counts with a **dedicated sustainability responsible/team**

6.2. REAL ESTATE DEBT

Alteralia RED I¹⁰

Offers tailored, long-term financing solutions for commercial real estate assets across Europe, with a focus on capital preservation, moderate leverage, diversification and strong security packages. It targets a broad range of real estate asset classes, including commercial, hospitality, residential, logistics, retail, office, and alternative real estate segments. Launched in 2020, the first Alteralia Real Estate Debt fund has built a strong track record, successfully investing €160 million across Europe and gaining significant expertise in the strategy.

→ **6 out of 8** active investments are classified as **sustainable or green loans**



Characteristics promoted (Sustainability KPIs linked):

- Sustainable/green building standards. For example, obtainment of LEED or BREEAM certifications.
- Implementation of smart building features to optimize energy use (incl. presence detectors and automation devices, energy-efficient acclimatization systems)
- Increase of renewable energy use (incl. solar panel installation)
- Installation of LED illumination.
- Implementation of presence detectors to optimize electricity consumption
- Reduction of water consumption, mostly related to laundry services and gardening



Sustainability Material Topics

- Environmental
 - Energy Efficiency & Renewable Energy
 - Green Building Certifications
 - Sustainable Resource Use
- Social
 - Health, Well-being & Occupant Comfort
 - Gender Equality & Inclusion
 - Community Engagement & Responsible Employment
- Governance
 - Anti-Corruption, Whistleblower & Compliance Policies
 - Data Privacy & Infrastructure Security



Environmental

The integration of environmental sustainability in real estate assets' development and construction has become crucial for asset managers. By the end of 2024, 5 out of 8 active investments count with a sustainability certification (i.e. LEED or BREEAM).

In addition, some projects have improved the environmental performance of the assets by promoting renewable energy consumption (e.g. installation of solar panels) or implementing energy efficiency measures (e.g. LED lighting, smart control systems). Others have taken a step towards promoting sustainable mobility by installing electric vehicle charging stations in their facilities. For one asset, its energy performance has been analyzed using the Carbon Risk Real Estate Monitor (CRREM) tool to estimate the year when the asset is at risk of becoming obsolete in terms of energy and carbon emissions intensity, in alignment with EU benchmarks.

In the field of water efficiency some of the water-saving initiatives implemented in the assets include, landscaping with native plants that require minimal irrigation, partnerships with water-free dry-cleaning services and/or the implementation of water-saving systems.

→ **4 out of 8** active investments are classified as green loans/bonds. The margin ratchet of the financing is linked to the certification of the asset under high sustainability standards (i.e. BREEAM or LEED)

→ **2 out of 8** active investments are classified as sustainable loans. The margin ratchet of the loans is linked to the following Sustainability KPIs:

- Increase the share of renewable energy consumption
- Reduce water consumption under strict EU thresholds for water-efficient hospitality assets
- Installation of solar panels
- Implementation of a smart control system (EnergyGest) for switching on/off exterior facade lighting, HVAC, and store lighting.
- LED lighting installation
- Installation of motion sensors to control lighting

¹⁰ The European Investment Fund (EIF) entered with a guarantee program in April 2021, which was provided with the ultimate purpose of enhancing access to financing for Eligible Final Recipients.



Social

All of Alteralia RED active investments, except for three assets are directed to physical real estate assets and therefore, there is no workforce associated with these investments. However, as part of the due diligence process the team analyzes the asset managers and sponsors that will manage the asset to ensure that these count with a robust corporate governance framework and act responsibly towards their employees. In the case of one investment, the commitment of the company with its employees and equality can be highlighted, as the employees of this company count with several social benefits (e.g. health insurance, partnerships with fitness centers), women represent 47% of the workforce and the gender pay gap falls below 1%. One of the other investments

collaborates with Asociación Achalay to support groups at risk of social exclusion, such as children, women, disadvantaged families, and people with intellectual disabilities.

In regard to the operations, most of the loans directed to refurbishment projects relate to the implementation of measures to improve the wellbeing of clients and end-consumers (e.g. recreation areas, wellness features, spaces for social interaction). Likewise, most active investments have attained sustainability certifications that ultimately promote the highest health and wellbeing standards.



Governance

As part of the due diligence process the team analyzes the asset managers and sponsors that will manage the asset to ensure that these count with a reliable management team and robust corporate governance framework to minimize any potential management risk.

In this regard, operational governance is reinforced through the definition of relevant corporate policies covering aspects such as anticorruption or data protection.

In addition, some companies conduct regular system audits to safeguard cybersecurity and regulatory compliance, while others rely on external sustainability consultants to validate impact and support continuous improvement. The incorporation of responsible investment KPIs into financing agreements reflects the sector's evolution towards a results-oriented governance approach.



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